

PROSPECTUS

54/24

OF THE

LEBANON SPRINGS
RAIL-ROAD.



NEW-YORK :

JOHN F. TROW, PRINTER, 49 ANN-STREET,

1852.

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OF THE

Lebanon Springs Rail-Road Co.

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THE LEBANON SPRINGS RAIL-ROAD.

IN introducing to the public a new rail-road enterprise, the Directors of the LEBANON SPRINGS RAIL-ROAD COMPANY, deem it proper, to accompany it with a statement of some of the considerations which have determined them upon an early commencement of the work.

For a clear understanding of the proposed enterprise, it should be observed that three distinct roads are spoken off:

First. The LEBANON SPRINGS RAIL-ROAD, about twenty-three miles in length, chartered in 1852 under the general rail-road law, to construct a road from Chatham Four Corners, in Columbia County, connecting there with the Harlem Rail-Road to Nichols' Summit, a point on the line dividing the States of New-York and Massachusetts, where the Williamstown and Hancock Rail-Road terminates.

Second. The Williamstown and Hancock Rail-Road, seventeen miles in length, chartered in 1852 by the Legislature of Massachusetts, with power to build a road from some convenient point in the north line of Williamstown, in the county of Berkshire, (where the Bennington and New-York Rail-Road terminates,) to the west line of Hancock, where the Lebanon Springs Rail-Road terminates.

Third. The New-York and Bennington Rail-Road, chartered in 1851 by the State of Vermont, with power to build a Rail-Road from some point in the village of Bennington, through towns of

Bennington and Pownal, to the boundary line between the States of Vermont and Massachusetts, to connect with any rail-road or rail-roads in the State of Massachusetts.

The LEBANON SPRINGS RAIL-ROAD COMPANY have obtained by agreement the control of the last two roads above named, and, as it is intended that the subscribers to the stock of this road shall participate ratably in the profits and advantages of all these three roads, they will be treated in this statement as one road, forming, as they do, the *last link* in the great interior chain of rail-roads connecting the city of New-York with Williamstown, Bennington, Rutland, Burlington, and Montreal.

The territory that lies all along the proposed route of this road, is well occupied by an industrious and thriving population; is rich in mineral resources; liberally furnished with streams, yielding abundant water-power; fertile in agricultural productions, and possessing those characteristics which render the construction of a rail-road of exceeding importance, to enable it to compete successfully with those sections of country where rail-roads have already been built.

In all enterprises of this sort, various considerations operate to secure the support of different classes. To those living on the line of the road, the convenience of transit and the facilities of business are a great inducement; to the country situated north and south it is equally important in the same aspect; to those holding the securities of other rail-roads to which this will be tributary, the construction of this road presents the additional advantage of enhanced security to, and increased profits on, investments already made; and to those desiring to invest money, a security which shall yield a fair return in interest or dividends.

If, then, it is shown that this rail-road will yield such a return as to make it a good investment for the capitalist, the conclusion which shows this result must be satisfactory to all others concerned.

To do this, three points must be examined:

- 1st. The cost of constructing the road.
- 2d. The annual expense of operating the road.
- 3d. The amount of its earnings.

COST OF CONSTRUCTION.

The face of the country, from Chatham Four Corners through the village of Chatham to the Sand Knoll, near Brainard's Bridge, is hilly; but a favorable grade can easily be obtained, and the materials are of the nature required for a good, permanent road. Leaving the Sand Knoll, and from thence to Lebanon Springs, the fertile valley of the Kinderhook Creek offers easy grades and cheap construction for several miles. From Lebanon Springs to Nichols' Summit, (on the line that divides the State of Massachusetts from the State of New-York,) the road follows the valley of the Lebanon Creek, with equal advantages for economical construction. From Nichols' Summit, the route leads along the creek to Noble's Bridge, in Williamstown, near which place, crossing the Hoosick River, it runs along the side of the Pownal Mountain to Pownal Centre; from thence, by a gradually descending grade through the valley, to East Bennington, where it meets the Western Vermont Rail-Road.

A width of country from ten to fifteen miles on either side of the proposed route, does not present so favorable a surface of country for a rail-road.

The engineer's estimates of the cost of construction,

made on a careful instrumental survey, are such, the Directors feel confident, that the road can be constructed within them. Without going into detail, it will be sufficient to state here that the average cost of construction per mile is estimated at \$34,000, including grading, superstructure, depots, rights of way, fencing, land damages, &c.

The average cost per mile, as shown by the Report of the State Engineers, of the twenty-one roads now in operation in this State, is \$43,558.

This includes the cost and equipment, and is much increased by various charges to construction account, which form no part of the original cost of the road. They are given here to furnish material for ready comparison, although the *actual* cost of the roads cannot be ascertained from the reports without great labor, if at all.

The cost of equipping the road with cars and engines, is estimated for an allowance of two passenger and one freight train per day, each way.

10 Engines,	\$75,000	
10 Passenger Cars,	21,000	
100 Freight Cars, at \$600,	60,000	
Allow for mail and other cars, machinery and contingencies,	42,000	
		198,000
53 miles of rail-road, at 34,000,		1,802,000
Total cost of road and equipment,		\$2,000,000

The second point of inquiry is the annual

COST OF OPERATING THE ROAD.

On this subject we are not left to the uncertainties of future experiment. An examination of the statis-

ties of sixteen of the principal rail-roads in this and the Eastern States, gave, in 1845, an average cost per mile of 70³/₈ cents, excluding the trains run for repairing the roads; this charges on the freight and passenger trains, the total cost of repairing roads, engines, cars, stations, and all other expenses, general and special, required to conduct the business of the companies for the year. This was then the latest and best experience of the country, and it is believed the cost has since by no means increased, and probably has so much decreased as to make this an ample estimate.

But, to provide against all contingencies, we will add about twelve and a half per cent., which will give a total cost of running an engine, with a passenger or freight train, of about eighty cents per mile; or for the trip, fifty-three miles, \$42 40.

Two passenger trains per day each way,	4 trips.
One freight train per day,	2 "
	6 trips.
313 running days in a year, gives total running cost	
per annum,	\$79,627 20

These estimates will, we think, be conceded to be liberal, and are fully sustained by the best rail-road statistics. Wood can be obtained in great abundance, and at very cheap rates, all along the line of the road. The cost of fuel, one of the most important items of expenditure, will on this road be materially lessened for a long series of years.

REVENUE OF THE ROAD.

Having, then, arrived at as great a degree of certainty as any untried enterprise is capable of, it only

remains to exhibit, from thorough examination, the probable revenues of such a road as it is proposed to construct. And the Directors appeal with confidence to business men, whether merchants, farmers, or those engaged in manufactures or mechanical pursuits, along the line of this road, who are familiar with the amount of business done in their respective localities, to say whether the estimates here given are not rather much below than above the actual business that must seek this road from those towns through which it passes.

We have prepared a table of estimates of such business as arises between Bennington and Chatham Four Corners, and for that which is destined for New-York over the Harlem Rail-Road, showing a total of estimated joint receipts, of \$516,700.*

An agreement has been entered into between this Company and the Harlem Rail-Road Company, to this effect: that their trains shall run connectedly; that the receipts for all joint business shall be divided between the two companies, pro rata, according to the number of miles conveyed on each road. According to this agreement, the Harlem Rail-Road, being 130 miles in length, will be entitled of these receipts to the sum of \$367,054

And the Lebanon Springs Rail-Road Company to 149,646

\$516,700

The agreement then provides that the Harlem Rail-Road Company shall allow and pay the Lebanon Springs Company twenty per cent. on the gross amount

of the earnings of the Harlem Rail-Road, from the joint passenger and freight business:

Which is	\$73,410 80
Adding thereto the proportion of earnings belonging to the Lebanon Springs Road,	149,646 00

Gives a total revenue to the Lebanon Springs Road, of	\$223,056 80
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The annual expense of operating, as above mentioned, is	\$79,627 20
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To which add 7 per cent. dividend on the cost of construction and equipment (\$2,000,000),	140,000 00
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\$219,627 20

Leaving an annual surplus, after paying a dividend of 7 per cent. on the cost of the whole road and its equipment, and after paying expenses of operating the road, of	\$3,429 60
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This, then, is the result to which we are brought, and which the Directors think is one which the actual operation of the road will sustain.

To show the entire safety of the enterprise, the sound business basis on which it is presented to capitalists, and its capacity to yield a certain dividend of seven per cent., the Directors will here add, that their agreement with the Harlem Company provides, that in case the aforesaid twenty per cent. of its share of the earnings, together with the earnings of this Company, should not be sufficient, after deducting expenditures for operating and maintaining the road, and equipment, to enable the LEBANON SPRINGS RAIL-ROAD COMPANY to pay the seven per cent. on the cost of the road and equipment, then the Harlem Rail-Road Company agree to increase the amount to be paid

to this Company (up to fifty per cent. of its proportion of earnings) to an amount which shall enable the LEBANON SPRINGS RAIL-ROAD COMPANY to pay seven per cent. on the sum of \$1,700,000, and conditionally on the further sum of \$300,000, making, in all, \$2,000,000.

The effect of this arrangement is to secure to the LEBANON SPRINGS RAIL-ROAD COMPANY its own proportion of the receipts over the whole line, from Bennington to New-York city, and fifty per cent. (if necessary to pay seven per cent.) of the proportion of the receipts of the New-York and Harlem Rail-Road Company.

Taking, then, the previous estimates of receipts over the whole line, . . .	\$516,700	
The proportion of Lebanon Springs Rail-Road of which is . . .		149,646 00
The proportion of the Harlem, . . .	367,054	
Fifty per cent. of which is . . .		183,527 00
Total estimated receipts of Lebanon Springs Rail-Road, . . .		\$333,173 00
From which take the cost of operating the road at . . .	76,627 20	
7 per cent on the estimated cost of the road and equipment, (\$2,000,000). . .	140,000 00	
		219,627 20

Leaving a surplus in the hands of the Harlem Company, after paying all expenses of operating the road, and 7 per cent. on the estimated cost of the road and equipment, of \$113,546 80

Which sum is applicable according to the provisions of said agreement to the payment of expenses of operating said road, and to the payment of dividends.

This computation is only made for the purpose of showing how large a margin is provided against all over-estimates of receipts; for it will be seen that if our estimates of receipts, carefully made as they are, shall by any possibility fall twenty per cent. short of the actual results, even then the road will pay on its estimated cost a dividend of seven per centum.

There are other sources of income of considerable importance, which are not included in the above table.

The Western Vermont Rail-Road, fifty-five miles in length, running from Bennington north, through Rutland and Manchester, to Burlington, and connecting with Montreal, and to which a fertile section of country, famous for its cattle, is tributary, will be a very important source of revenue to the LEBANON SPRINGS RAIL-ROAD. Extensive marble quarries are now opened and worked on the line of this road, the products of which, already large, are annually increasing.

An estimate made by a gentleman intimately connected with the affairs of the Western Vermont Road, gives the following results of its business:

Through passengers, 70 per day,	21,000
Way do. 80 "	24,000
Through freight, tons,	20,000
Way do. "	50,000
Mail and Express.	

The same gentleman estimates the business to be derived by the LEBANON SPRINGS ROAD from Bennington, at a much higher amount than is above stated. The amount of freight between Bennington and tide-water at present is 25,523 tons, nearly all of which is destined to New-York.

As the LEBANON SPRINGS ROAD will form, with the Harlem and the Western Vermont Road, the shortest and most direct route through from Montreal to New-York, the northern travel will naturally find its way over this road, and from its extent will contribute largely to the revenues of the road.

And on the completion of the tunnel through the Hoosic Mountain, all such travel and freight as is destined for New-York, will find its way over this road.

Vermont and the western counties of Massachusetts produce a large number of cattle for the market, which are annually sent by rail-road to Boston.

By the weekly reports of the cattle market, published in the Boston Cultivator, we find that there was sent from Vermont, over the Fitchburg and Lowell Rail-Road, to Boston, in the year 1851—

24,589 Cattle, 46,074 Sheep.—4,873 Cars employed.

A considerable portion of this stock will find its way to the markets of the city of New-York, rather than that of Boston, so soon as the means of transit are opened. To this may be added the stock along the line of this road, which is raised for market.

Again; it is already proposed to construct a rail-road from Troy, to meet the line of the LEBANON SPRINGS RAIL-ROAD at Brainard's Bridge, which, if completed, will be an important source of revenue.

This road will, in truth, enable New-York to compete successfully with Boston for the trade and markets of Western Vermont and Western Massachusetts, the value of which to the city of New-York is not easily estimated.

It is not often that a rail-road enterprise comes before the public under circumstances so favorable as those of the LEBANON SPRINGS ROAD.

It passes through a country unequalled in the Northern States in fertility, and which, from its unsurpassed beauties of landscape, will be a source of constantly increasing attraction to travellers for pleasure.

The products of the country are such as absolutely demand a rail-road outlet; and residents of this section are convinced that those sections where rail-roads are already established, derive from them such advantages as to render all attempts at competition, without similar facilities, hopeless.

This road is the last link wanting to connect a line of travel of 300 miles in length northward, with the great commercial centre of the United States.

On its opening, it enters immediately upon a large business at either end, already formed and waiting its completion, and which is entirely independent of its local business.

The agreement with the Harlem Rail-Road Company, above mentioned, by which the receipts, to the extent of fifty per cent. (from business arising on this road,) of a road 130 miles in length, are pledged to this Company, up to a point that will pay the expenses of operating the road, and seven per cent. on the cost of its construction and equipment, amounts to a guarantee of dividends to holders of the stock. With all these advantages, and with such favorable prospects, this enterprise now comes before the public.

The Directors request the attention of capitalists to the foregoing statement, convinced as they are of its substantial correctness, and confident as they are that the experience of one year will confirm the expectations here advanced.

The holders of the stock and bonds of the *Harlem Rail-Road*, and the holders of the extension certificates

of that road, will readily perceive the effect that the opening of this road will have upon their securities, adding, as it probably will, from thirty to fifty per cent. to the net receipts of the Harlem Rail-Road, *without any additional outlay*. The owners of the securities of the Western Vermont Road must experience a similar benefit.

The advantages to accrue to those owning land, or transacting business in the section of country through which this road is to be built, are so apparent that it is deemed unnecessary to enter minutely upon them.

The value of land will be greatly increased. This has always been the case; so much so that a purchaser is now often determind by the question, whether the land lies near a rail-road.

The facilities of travel and transportation are essential to the manufacturer, merchant, and farmer.

The farmer will find a ready market for all the produce he can raise, and his attention will be directed to such productions as will be adapted to the city consumption, and which will bring him cash at his door, thus saving the time and expense of travel to find a market.

It is intended that the road shall be built in a substantial, permanent manner, so as to admit of a high rate of speed.

The time between New-York city and Lebanon Springs by this road, will be about four and a half hours; to Williamstown about five hours, and to Bennington about five hours and a half.

The books of subscription to the stock of this road will be opened in the city of New-York, and at other points on the line of the road, due notice of which will be given in the newspapers.

APPENDIX.

CHATHAM—Five miles north of Chatham Four Corners, is situated in the heart of a rich agricultural region, producing a large surplus of grain; in the village are 3 stores, 1 grist mill, 1 furnace, 1 carriage shop; and within three miles, there are 1 tannery, 3 flouring mills, 1 printing-paper mill, and eight stores; also several unimproved water-powers.

Estimate for Passengers, say from 2 to 3 each way per		
day—2,000, at	\$1 50	\$3,000
Do. for Freight—tons, 1,500, at	4 00	6,000

SAND KNOLL—Equi-distant from the villages of Brainard's Bridge and East Nassau, one mile. At Brainard's Bridge there are 1 woollen factory, 1 cotton factory, and 1 store; together averaging 450 tons of freight annually; 1 paper mill (300 tons), and 1 tannery. At East Nassau there are 1 cotton factory, 1 woollen factory, 2 grist mills, and 4 stores; together averaging 800 tons. Three miles north is the village of Hoag's Corners, having 3 stores, 2 grist mills, 2 tanneries, 2 furnaces, 1 woollen factory; and in its immediate vicinity 1 hoe and fork factory, 2 batting mills, and 5 stores. Here also would centre the business of North Nassau, having 1 store, 2 saw mills, 1 grist mill, and also the business of three other stores.

Estimate for Passengers, say, from 2 to 3 each way per		
day—1,500, at	\$1 50	2,250
Do. for Freight—tons, 2,000, at	4 00	8,000

This would be an important wooding station—cheap, and abundant for the supply of the road to Ghent or below.

LEBANON SPRINGS, NEW LEBANON, AND LEBANON SHAKERS.

—These are all flourishing villages : in New Lebanon and the Springs are several large hotels, 8 stores, and 4 grist mills ; the number of visitors at the Springs is between 7,000 and 8,000 annually. The Lebanon Shakers now pay about \$3,000 freight annually, and Tilden & Co. about \$1,500.

Estimate for Passengers, say 16 each way per day—			
10,000, at	\$2 00	20,000	
Do. for Freight—tons, 2,500, at	4 25	10,625	

STEPHENTOWN—Five miles north of Lebanon ; has 2 woollen mills, 1 flannel mill, 2 wadding mills, 2 tanneries, and several saw mills ; it has also many unimproved water-powers, and an abundant supply of wood. This would be the station for the products of Berlin, which, as well as Stephentown, has large dairies.

Estimate for Passengers, say 1 to 2 each way per day—			
1,000, at	\$1 50	1,500	
Do. for Freight—tons, 2,000, at	5 00	10,000	

HANCOCK—Has 2 woollen factories, 1 furnace, and 3 stores. This would also be the station for Lanesboro', which furnishes marble in abundance ; two firms here each agree to furnish 3,000 tons a year.

Estimate for Passengers, say 1 to 2 each way per day—			
1,000, at	\$1 50	1,500	
Do. for Freight—tons, 6,500, at	4 00	26,000	

SOUTH WILLIAMSTOWN—Contains 2 stores and 2 factories. New Ashford would send its marble to this station.

Estimate for Passengers, one each way per day—600,			
at	\$1 50	900	
Do. for Freight—tons, 1,200, at	4 00	4,800	

WILLIAMSTOWN—Has eight stores, a college which has about two hundred students ; several large hotels and boarding-houses, which are filled with families from the city in the summer, making a very large travel ; iron ore, marble, and yellow ochre abound ; the ochre bed is eighteen feet deep. Four

miles from this is North Adams, which has 25 factories, owned by ten corporations; 2 woollen factories, and a furnace. A large portion of this would pass over our road to New-York, if a good connection was formed.

Estimate for Passengers, say 6 each way per day—		
4,000, at	\$2 75	11,000
Do. for Freight—tons, 3,500, at	4 50	15,750
Freight and travel coming in here from North Adams and vicinity, say		18,000

POWNAL—The southernmost town of Vermont; its inhabitants are wealthy and enterprising, and the agricultural productions large; there are a number of small villages in the town, with prosperous manufactories, and a large number of stores; it has many extensive dealers in stock, wool, &c.

Estimate for Passengers, say 2 to 3 each way per day—		
1,500, at	\$2 00	3,000
Do. for Freight—tons, 3,500, at	4 50	15,750

BENNINGTON—Has three villages; the largest has 3000 inhabitants, a water-cure establishment, and an extensive manufactory of enamel ware; it abounds with ochre, manganese, and iron. Fifty thousand dollars worth of flour per annum is sold in this village; large quantities of lumber from the adjoining mountain towns will come to this station. Near the junction of this road with the Western Vermont Road, is the village of North Bennington, an enterprising and growing village, with 4 stores, and a large number of manufactories.

Estimate for Passengers, say 4 each way per day—		
2,500, at	\$2 00	5,000
Do. for Freight—tons, 12,500, being one-half of amount of freight now transported between Bennington and tide-water, at	\$4 50	56,250

Making a total of way business, \$219,350

Say for through passengers delivered to the Western Vermont Road:

25 each way per day, at	\$3 00	46,950
100 tons of through Freight each way per day, at 4 00		250,400

Total receipts, \$516,700

